



**TESTIMONY SUBMITTED TO THE HUMAN SERVICES COMMITTEE
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Testimony Regarding Senate Bill No. 978

AN ACT CONCERNING EXPANSION OF THE COVERED CONNECTICUT PROGRAM

Senator Lesser, Representative Gilchrest, Senator Seminara, Representative Case and distinguished members of the Human Services Committee, thank you for the opportunity to offer testimony concerning Senate Bill No. 978, *An Act Concerning Expansion of the Covered Connecticut Program*. I am Dr. Deidre Gifford, Executive Director of the Office of Health Strategy ("OHS"). OHS' mission is to implement comprehensive, data driven strategies that promote equal access to high quality health care, control costs, and ensure better health for the people of Connecticut.

During the 2021 legislative session, the Covered CT program was createdⁱ, braiding federal and state funding to expand comprehensive health care coverage to lower-income individuals and families at no cost to them. OHS is proud of the collaboration that occurred between the legislative and executive branches, the Department of Social Services (DSS), federal partners at the Centers for Medicare and Medicaid Services, as well as Access Health CT and the participating health plans, to be able to launch this two-phased program beginning July 1, 2021. Covered CT builds on Connecticut's historical record of providing affordable, high quality health insurance coverage to the broadest possible number of residents. This is a tradition that we can and should take pride in as a state.

The first phase of the two-year program offered no-cost health care coverage to caretaker relatives of HUSKY A-eligible children with incomes between 160% and 175% of the federal poverty level (FPL) who did not have an offer of affordable employer-sponsored insurance. The second phase of the Covered Connecticut program began after July 1, 2022 and expanded health care coverage to all adults, including adults without dependent children, in households with incomes up to 175% FPL who do not otherwise qualify for HUSKY or have an offer of affordable employer-sponsored insurance. DSS and partner agencies were able to successfully pursue an 1115 Medicaid waiver opportunity to leverage federal dollars to support program costs associated with premiums and cost-sharing as well as coverage of non-emergency medical transportation and dental benefits comparable to the benefits under the state's HUSKY Health program. As the COVID-19 public health emergency (PHE) ends and federal authorization for extended Medicaid eligibility winds down, the Covered CT program will be a critical safety net to ensure that state residents continue to have access to affordable health coverage. Because of this program, Connecticut is in a far better position to transition out of the PHE than the majority of other states who do not offer an equivalent, no-cost option on their exchange. However, OHS does have concerns about a rapid expansion of a new program which is in its early stages. We are concerned that a significant expansion of the program before it has had time to become established may have unintended, adverse consequences on the program as a whole.

This bill proposes that the Department of Social Services, in consultation with the Connecticut Insurance Department and the Office of Health Strategy, expand the Covered CT health care insurance program to families and individuals with income up to 200% FPL and develop a plan for a second tier of the Covered Connecticut program to provide state-assisted health care coverage to individuals whose income exceeds 200% FPL but does not exceed 300% FPL. For several operational and budgetary considerations, OHS has concerns with the new expansions contained in this bill.

First, per Public Act 22-118, the administration of the Covered CT program is being transitioned to the Department of Social Services. This transfer is occurring at the same time as the implementation of the 1115 waiver, which was approved December 15, 2022. As federal approval has only recently been secured and the implementation of the expanded eligible populations still ongoing, it is premature to implement further expansions at this time. With the unwinding of the PHE over 40,000 individuals are expected to be enrolled in the program by June 2025. In addition, this new proposed expansion would require DSS to submit an amendment to the recently approved waiver, which could take up to six months to approve. Consideration of this additional program tier including the specific program eligibility levels, would be better informed after the full implementation of the current levels, the wind down of the PHE and whether or not federal subsidies will be extended.

Second, this proposal would require estimated funding in the range of \$30 to 40 million just for the annualized state share of expanding from 175% to 200% FPL. A further expansion to 300% FPL, even with some cost sharing, would require additional resources. Both of these expansions would also require significant ongoing administrative resources from DSS, all of which are not currently included in the Governor's budget.

For these reasons, I respectfully request that the committee not take action on this bill at this time. I would like to again thank the committee for the opportunity to submit this testimony.

ⁱ §§16-19 of [Public Act 21-2](#), June Special Session